



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 8, 2014

Assembly Member Raul Bocanegra, Chair
Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: ASSEMBLY BILL 2262 (FRAZIER) - PRIVATE RAILROAD CAR TAX • SUPPORT •

Dear Assembly Member Bocanegra,

I am pleased to support Board of Equalization sponsored Assembly Bill 2262, which changes the method of measuring presence in California from car days to mileage for purposes of imposing the Private Railroad Car Tax.

AB 2262 will establish a simplified procedure for assessing privately owned railroad cars that conforms to the method used by all other states that measure presence. Changing to a mileage-based system like those used in other states will reduce costs and increase compliance for both private railroad car owners and railroad companies.

Additionally, measuring presence with a mileage-based system is less complex and less costly to administer, which would allow the BOE to assign staff to other duties. Accuracy would also be improved because BOE staff will be able to request mileage data directly from private railroad car owners and will not be forced to rely on less accurate car day counts currently received by railroad companies.

Lastly, switching to a mileage-based system avoids the approaching necessity of replacing current software at an estimated cost of \$500,000. The existing program uses obsolete code language that is no longer supported and thus increasingly difficult to maintain.

This legislation is necessary to modernize current procedures for collecting property taxes on private railroad cars. For this reason, I am pleased to support AB 2262 and urge your "aye" vote when it is heard before the Assembly Revenue and Taxation Committee on April 21.

Sincerely,

GEORGE RUNNER
Second District

cc: Assembly Member Jim Frazier
Julia King, Policy Consultant, Assembly Republican Caucus